



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 29, 2012

MEMORANDUM

TO: The Honorable Marcus B. Oshiro
House Committee Finance

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 2130, H.D.1 - RELATING TO HUMAN SERVICES**

Hearing: Wednesday, February 29, 2012, 3:30 p.m.
Conference Room 308, State Capitol

PURPOSE: The purpose of H.B. 2130, H.D.1 is to require the State of Hawaii to pay enhanced interest rates on late payments to an operator of an Adult Day Care Facility, Community Care Foster Family Home, or Adult Residential Care Home.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) respectfully opposes H.B. 2130, H.D.1.

The current law provides equitable treatment for all vendors contracted with the State regarding late payment. All providers are important, and DHS opposes preferential treatment for operators of an adult day care facility, community care foster family home, or adult residential care home.

Requiring DHS to pay providers a greater interest rate may increase State expenditures and require either an appropriation or reduction in other areas.

Thank you for the opportunity to testify on this bill.

**To: The Honorable Marcus Oshiro, Chair
The Honorable Marilyn Lee, Vice Chair and Members**

**From: Lilia Fajotina, ARCA President
(Alliance of Residential Care Administrators)**

Subject: H. B. 2130, Relating to Human Services

Hearing: Wednesday, February 29, 2012

**Time: 3:30 P.M.
Conference Room 308, State Capitol**

I fully support the intent of the H.B. 2130.

As a caregiver myself, I know how hard it is to work with our residents. I am not complaining because that's what I chose to do as my career in life. But it is so disheartening when you are already working so hard, sometimes neglecting my husband and children, and I still have to struggle with my pay from the State because of always late payments. And I just don't mean, days, I have to wait months for my paycheck.

Right now, I have 3 residents from the Adult Mental Health Division and 2 residents under the State. Recently, I was not paid for 3 months from the Adult Mental Health Division. If I

did not seek the help of one of our Representatives to help me, I'm sure that it would have taken them longer to pay me. Some of us in our industry, sometimes don't get paid for 6 months. We only have but so much money in savings to pay for our mortgage. And mortgage is not all what we have to pay. We have to feed our residents, pay utilities, buy gas to bring them to their doctor's appointments, in the meantime, we may be losing our homes. There are caregivers who now have lost their homes because of late payments of the State. When we are behind with our mortgage payments, the banks or lending institutions charge us interest and penalties by the thousands. When the State was late in paying me for more than 3 months recently, they paid me a mere \$14.00 for their late fee.

We are asking the legislature to please look into this matter, as we would also like to be paid on time like everyone else that works for the State.

I strongly support the bill and with high hopes that the State legislators will really look into the heart of the matter.

Thank you for allowing me to testify.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lilia Fajotina', written over the printed name.

Lilia Fajotina

ARCA President